

2006 -2007 PERFORMANCE PLAN - SENIOR PORTFOLIO MANAGER, CORPORATE GOVERNANCE (Johnson)

Quantitative Performance Measures

Weight	Factor	Performance Measure	Incentive Schedule
20%	Corporate Governance Funds	Excess return of CalPERS' external managers under the oversight of the Corporate Governance PM relative to their respective benchmarks. Governance funds asset weighted by invested capital. (SN6KA1 - CPERSECG)	> +75 basis points = 0 > +175 basis points = 1.0 > +275 basis points = 1.5
20%	Internal Relational Performance	Excess return of CalPERS Internal Relational Portfolio, compared to the Wilshire 2500 (SW8B - \$Y08)	> 0 basis points = 0 > +100 basis points = 1.0 > +200 basis points = 1.5 (On an Annualized Basis)
15%	Global Equity Performance	Excess return in basis points relative to global equity performance benchmark. (GLOBLIC - CPERSGE)	> -50 basis points = 0 > -10 basis points = 1.0 > +15 basis points = 1.5
10%	Focus List Performance	Excess annualized return of 3 year Focus List Program (Focus & Monitoring List) portfolio companies to a custom S&P Peer Industry relative benchmark. Measures return performance of the 2004, 2005, and 2006 Focus & Monitoring List Companies up through June 30, 2007.	> 0 basis points = 0 > +200 basis points = 1.0 > +400 basis points = 1.5
10%	Total Fund	Excess return in basis points relative to: Total Fund performance (SJ1CA1) vs. Total Fund benchmark (CPERSTO2)	> -40 basis points = 0 > 0 basis points = 1 > +20 basis points = 1.5
75%	Subtotal	Quantitative Measures	

2006 -2007 PERFORMANCE PLAN - SENIOR PORTFOLIO MANAGER, CORPORATE GOVERNANCE – Continued (Johnson)

Qualitative Performance Measures

Weight	Factor	Performance Measure	Incentive Schedule
15%	Leadership	Demonstrate leadership within CalPERS and in the external investment community.	From Schedule
5%	Corporate Governance	Execute Strategy to improve corporate governance practice at companies conducting initial public offerings by June 30, 2007.	From Schedule
5%	Corporate Governance	Develop Strategic Plan to remove anti-takeover measures at the largest global equity portfolio companies Written Plan to be submitted to SIO, Global Equity by March 31, 2007.	From Schedule
25%	Subtotal	Qualitative Measures	
100%	Total	Qualitative & Quantitative Measures	

Supervisor's Approval:

Original signed by Christy Wood

Date: June 7, 2006